

Council Members

Renee Castiglione, Mayor
Barry Kaufman, Vice Mayor
Weidner Abernethy
Carl Marquardt
Wendel Sauer



Town Manager
Tim H. Holloman

Town Attorney
Stacy C. Eggers IV

September 18, 2018

Joint Legislative Committee on Local Government
North Carolina General Assembly
Legislative Building
16 W. Jones Street
Raleigh, NC 27601
Attention: Committee Chair and Committee Assistant

Fiscal Research Division
North Carolina General Assembly
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, NC 27603-5925

RE: Town of Beech Mountain
State Reserve Project Loan
Proposed \$1,740,000 Loan
2018 Water System Rehabilitation Project
Project No. H-SRP-D-17-0126

To Whom It May Concern:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina as amended, the Town of Beech Mountain hereby notifies you of its intent to enter into a State Reserve Project (SRP) loan with the Division of Water Infrastructure of the North Carolina Department of Environmental Quality, subject to the approval of the Local Government Commission, in the expected amount of \$1,740,000.

Purpose of Project: This project will address failing water distribution lines (primarily 2" and 4" galvanized steel pipes with leaking joints and service connections). The primary purpose of the project will be to reduce water loss which is currently greater than 30% of water withdrawn. The service connections, which are a significant cause of water loss, will also be replaced.

Scope of Project: This project will address failing water distribution lines by replacing them with approximately 17,300 linear feet of 6-inch ductile iron pipe (DIP) water mains. The location will be along various roads in the Charter Hills Road area of town.

Debt Requirement of the Project: The projected construction cost of the 2018 Water System Rehabilitation Project is \$1,740,000, all of which is to be debt financed.

Means of Financing the Project: The project is to be financed through a State Reserve Project (SRP) loan at a maximum interest rate of 1.82% over 20 years, subject to availability and conditions of the funding program.

Sources of Repayment for the Project: The SRP loan principal and interest will be repaid using funds collected by the Town from its current customer base, through normal fees. Increases in these normal fees may be necessary in the near future but we anticipate such fees to remain below 4% of the Median Household Income for our service area (for those customers using 5,000 gallons per month or less).

If more specific information is needed, please do not hesitate to contact me at the address above or to contact our consulting engineer, Benjie Thomas of West Consultants, at:

West Consultants, PLLC
405 South Sterling Street
Morganton, NC 28655
Phone: (828) 522-4728
Email: bthomas@west-consultants.com

Sincerely,

A handwritten signature in dark ink, appearing to read 'Tim Holloman', with a long, sweeping horizontal line extending to the right.

Tim Holloman, Town Manager

cc: Greg Gaskins
Local Government Commission
NC Department of State Treasurer
325 N. Salisbury Street
Raleigh, NC 27603-1385

Kim Colson, PE, Director
NC Division of Water Infrastructure
1633 Mail Service Center
Raleigh, NC 27699-1633